

Table of Contents

Executive Summary	4
I. Introduction and Overview of the Baldrige National Quality Program	5
A. Purpose of the Study	5
B. History of the Baldrige National Quality Program	5
C. Outline of the Report	6
II. Concepts of Quality	8
A. Evolution of Ideas about Quality	8
B. Formalizing Ideas about Quality	9
B.1. Traditional sources of quality improvement	10
B.2. Broad-based sources of quality improvement	10
III. Academic and Professional Literature Related to Investments in Performance Excellence	15
A. Fragmented Nature of the Literature	15
B. Conceptual Model of Firm Performance	16
C. Investments in Quality and Firm Performance	17
IV. Empirical Models of Investments in Performance Excellence	21
A. Attributes Specified in the Baldrige Criteria for Performance Excellence	21
B. Relationship between Attributes and Firm Performance	21
V. Applications to the Baldrige National Quality Program	22
A. Trends in Applications	22
B. Award Winners	22
VI. Economic Evaluation of the Baldrige National Quality Program	25
A. Overview of the Evaluation Methodology	25
A.1. Systemic approaches to program evaluation	25
A.2. Traditional economic evaluation methods	26
A.3. The counterfactual evaluation method	27
A.4. The spillover evaluation method	27
A.5. Methodology applicable to an evaluation of the Baldrige National Quality Program	28
B. American Society for Quality	29
C. Social Costs of Operating the Baldrige National Quality Program	29

D. Social Benefits Associated with the Baldrige National Quality Program	30
D.1. Evidence of social benefits associated with the Baldrige National Quality Program	30
D.2. Estimation of social benefits associated with the Baldrige National Quality Program	31
E. Ratio of Net Social Benefits to Social Costs Associated with the Baldrige National Quality Program	38
VII. Summary	45
References	46
Appendix: Detailed Review of the Academic and Professional Literature Related to Investments in Quality	53